

## Message Text

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61

ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 LAB-04

SIL-01 L-03 H-02 DOTE-00 DODE-00 PA-01 PRS-01 /085 W

----- 074199

P 172112Z JUN 75

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC PRIORITY 1545

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E.O. 11652: N/A

TAGS: EIND, EFIN, AR

SUBJECT: GOA MOVES TO IMPROVE BALANCE OF PAYMENTS PROSPECTS AND ASSIST AUTOMOTIVE INDUSTRY.

1. NEGOTIATIONS HAVE TAKEN PLACE DURING PAST WEEK BETWEEN MINISTER OF ECONOMY RODRIGO AND THE EIGHT FOREIGN AUTO MANUFACTURERS, INCLUDING GM, FORD AND CHRYSLER, ON AN AGREEMENT TO DEFER DEBT PAYMENTS BY MANUFACTURERS TO THEIR PARENT FIRMS. DISCUSSIONS WERE AT INITIATIVE OF RODRIGO AND AS AGREED, DEFERMENT WILL INCLUDE CURRENT DEBT PLUS FURTHER DEBT WHICH MAY BE INCURRED OVER NEXT TWO YEARS. GOA WILL ISSUE NEGOTIABLE, INTEREST-BEARING PROMISSORY NOTES TO THE PARENT ORGANIZATIONS, TO MATURE AT THE END OF THE AGREED PERIOD. THE TOTAL ESTIMATED AMOUNT OF THE DEFERMENT IS \$500 MILLION.

2. IN RETURN, ACCORDING CHRYSLER REP, RODRIGO HAS AGREED THAT GOA WILL: A) FREE PRICES OF AUTOMOTIVE PRODUCTS FROM CONTROLS; AND B) IMPORTS FOR THE INDUSTRY WILL BE FREE FROM THE 100 PERCENT PRIOR DEPOSIT REQUIREMENT ESTABLISHED LAST WEEK ON IMPORTS GENERALLY (BA-4061).

EMBASSY INFORMED THAT BOTH LOCAL US FIRMS AND HEADQUARTES IN US REASONABLY SATISFIED WITH THE AGREEMENT WHICH IS EXPECTED

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TO GET THEM OUT OF SQUEEZE BETWEEN PRICE CEILINGS AND RISING

COSTS OF WHICH THEY HAVE COMPLAINED FOR MANY MONTHS.

3. MRS PERON WILL BE PRESENT AT SIGNING AND EMBASSY GATHERS  
MAXIMUM PUBLICITY WILL BE SOUGHT TO UNDERLINE STEPS TO IMPROVE  
CONDITIONS FOR INDUSTRY AS WELL AS ITS ECONOMIC IMAGE ABROAD.  
AMBASSADORS OF COUNTRIES CONCERNED HAVE BEEN INVITED TO ATTEND  
SIGNING CEREMONY. UPON CHECKING, HAVE LEARNED THAT FRENCH EMBASSY  
WILL NOT BE REPRESENTED, AND THAT ITALIAN EMBASSY WILL SEND  
ECONOMIC COUNSELOR. US EMBASSY ALSO WILL BE  
REPRESENTED BY ECONOMIC COUNSELOR BEAL.  
MONTLLOR

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AUTOMOTIVE INDUSTRY, NEGOTIATIONS, BALANCE OF PAYMENTS AGREEMENTS, DEBT REPAYMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 JUN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** woolflhd  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975BUENOS04098  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750211-0389  
**From:** BUENOS AIRES  
**Handling Restrictions:** n/a  
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**Line Count:** 72  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** woolflhd  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 03 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <03 SEP 2003 by BoyleJA>; APPROVED <19 DEC 2003 by woolflhd>  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOA MOVES TO IMPROVE BALANCE OF PAYMENTS PROSPECTS AND ASSIST AUTOMOTIVE INDUSTRY.  
**TAGS:** EIND, EFIN, AR, GENERAL MOTORS, CHRYSLER, FORD  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006